

ATTACHMENT C

FOR RELEASE: FEBRUARY 25, 1992

FTC CHAIRMAN STEIGER DISCUSSES FOOD ADVERTISING;
ANNOUNCES STAFF COMMENTS TO FDA ON PROPOSED FOOD LABEL REGS,
IN REMARKS BEFORE ADVERTISING AGENCIES

Whether it is food advertising, environmental marketing, or any of a variety of other issues, the Federal Trade Commission's advertising law-enforcement efforts must reflect two goals -- protecting consumers from deception and fraud, and promoting fair competition by not inhibiting new advertising techniques or truthful information unnecessarily, FTC Chairman Janet D. Steiger told the American Association of Advertising Agencies today. Steiger also emphasized her view that while the FTC must continue "vigorous, but reasonable, law enforcement," the agency must also articulate national advertising policies that will provide the basis for a more consistent approach to advertising regulation.

FTC consumer protection actions can help enhance competition, the Chairman said. For instance, the agency has charged several companies with failing to have sufficient evidence to support claims about the environmental advantages their products purportedly had over those of their competitors. "In such cases," Steiger said, "just as consumers were allegedly deceived, competitors who made truthful and substantiated claims could have been disadvantaged." Steiger said the Commission will continue its efforts to prevent deception in this area and that if the agency decides to issue guidelines, she will work to ensure that they are "flexible enough to adapt to new developments and innovations."

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(Steiger Remarks to AAAA--02/25/92)

Another priority at the Commission, Steiger said, is food advertising. She noted this area has received even greater attention due to the passage of the Nutrition Labeling and Education Act of 1990. This law assigns to FDA the "herculean task" of issuing regulations that will lead to the relabeling of virtually every food product in America by as early as mid-1993. The Commission staff is filing comments with the Food and Drug Administration (FDA) today on the FDA's proposed food-labeling regulations to implement the act.

According to Steiger, the staff comments are designed to assist the FDA in its effort to devise workable regulations that will ensure both that consumers are protected from deceptive or misleading labeling, and that they will continue to receive truthful and non-misleading information about the nutritional content of foods and the health reasons for improving their diets. Steiger noted that while it is not the FTC's role to act as a surrogate for FDA on scientific issues, the proposed FDA regulations do raise some basic consumer information and competition questions where the Commission staff has significant experience.

Steiger did emphasize, however, that a consistent and coherent federal policy on food marketing is also important to

protect consumers, to avoid conflicting legal standards, and to help stimulate competition to improve products so consumers can improve their diets. Still, a coordinated effort must also recognize there are differences between food labeling and food advertising, she added.

In discussing the challenge of coordinating the FTC food advertising enforcement program with the FDA's food labeling efforts, Steiger explained that some of the proposed FDA rules for nutrition claims might be appropriate for food labels, but would be impractical in advertising. Steiger pointed to the length and complexity of some of the required labeling disclosures. "Even if this amount of information could be physically incorporated into a 15- or 30- second TV ad, I am not sure consumers could retain much of it," she said.

"In resolving these issues," Steiger said, "we intend to work with FDA staff and continue the high level of cooperation that now exists between the two agencies." In coordinating policy with FDA, there should be "no doubt as to the strength of both agencies' common commitment to protecting consumers from deceptive or misleading food advertising and labeling claims," she concluded.

(Steiger Remarks to AAAA--02/25/92)

The Chairman's remarks reflect her own views and not necessarily those of the Commission or any individual Commissioner. She spoke in New York City this morning at an advertising law seminar held by the American Association of Advertising Agencies, Inc.

Copies of the Chairman's remarks are available from the FTC's Public Reference Branch, Room 130, 6th Street and Pennsylvania Avenue, N.W., Washington, D.C. 20580; 202-326-2222; TTY 1-866-653-4261.

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